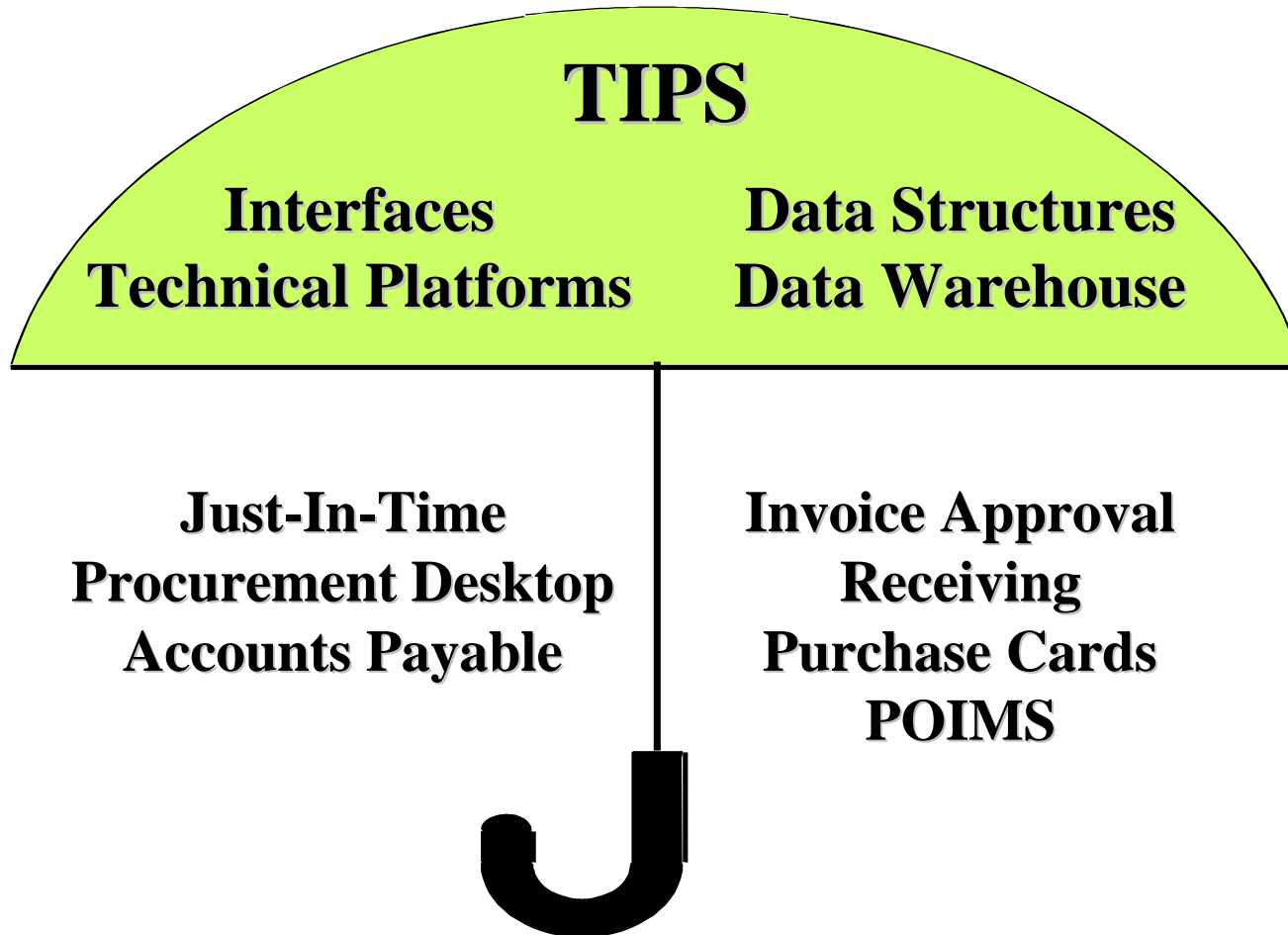

Electronic Commerce at Los Alamos

Total Integrated Procurement System

Total Integrated Procurement System

TIPS is an electronic commerce project to
improve, automate, and integrate
procurement and related functions

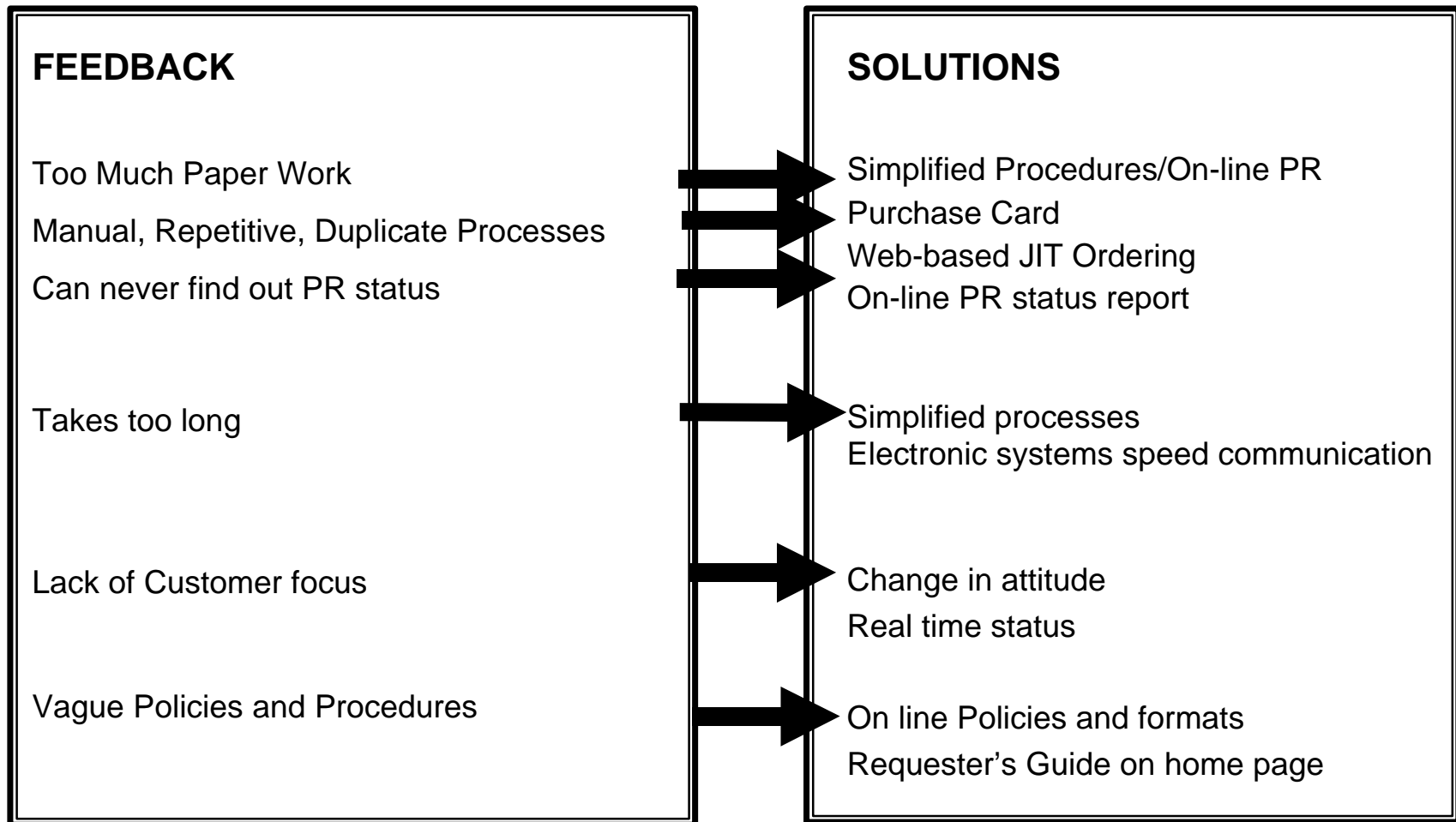
Total Integrated Procurement System



Why Electronic Commerce???

- ◆ Our customers and buyers demand more efficient processes
 - Motorola “MAT Division” evaluation--1992
 - Whetten Support and Services survey--1993
 - Voice of the Customer
 - Voice of the Employee
 - Annual Surveys

CUSTOMER FEEDBACK



TIPS Project

- ◆ Includes all activities to evolve into an paperless procurement environment
- ◆ Builds on and facilitates process improvements
- ◆ Incorporates on-going systems initiatives
- ◆ Anchored by AMS “Procurement Desktop”

FY97 Purchasing Volume

	Transactions		Dollars	
Order Type	Number	Percentage	\$M	Percentage
JIT	313,432	71.4%	60.5	8.6%
LVA	60,416	13.7%	5.9	0.8%
Purchase Card	44,063	10.0%	25.2	3.6%
Purchase Orders	23,101	5.2%	612.3	87.0%

TIPS Project Objectives

- ◆ Improve user productivity
- ◆ “One-stop-shopping” for requesters
- ◆ Provide buyers with full procurement lifecycle support
- ◆ Collect and deliver procurement information
- ◆ Systematically integrate applications
- ◆ Major process improvements
- ◆ Improve policy compliance

Meeting the Needs of Requesters

- ◆ One entry point for all purchasing vehicles (JIT, T-orders, complex subcontracts, etc.)
- ◆ Intuitive interface with context sensitive help, templates, reference library
- ◆ Minimize data entry
- ◆ Support for internal approval process
- ◆ Ability to track status

Meeting the needs of buyers

- ◆ Efficient “Windows” interface
- ◆ Seamless integration of office productivity tools (Word, Excel)
- ◆ Easy access to contract templates, forms and attachments
- ◆ Reduce data entry errors
- ◆ Speed communication and the procurement process as a whole

Project Milestones

- ◆ AMS selected for Procurement Desktop - 9/96
- ◆ Pilot Procurement Desktop 1.0 - 7/97
- ◆ Roll-out Procurement Desktop 1.1 - 6/98
- ◆ Release of 2.0 - 5/99
 - Includes Receiving, JIT, Shipping
- ◆ Receiving/JIT Desktop - FY99
- ◆ Purchase Card Enhancements - FY99
- ◆ Accounts Payable Desktop - FY00

Process Benefits

Cost Component	Business Problem	With PD	Benefits
Office Mail	Delays Lost folders Unknown status Cost to route	Electronic transmission of requests and attachments along defined approval routes	\$0 per mail stop for routing Immediate transmission No supplies necessary No lost mailings
Manual requisitions	Keying errors Process errors	Electronic requisitions, with edits	Fewer errors -- Online edits
Vendor Selection	Time wasted finding individual vendors	Requisitioner has access to vendor database	Requisitioner provides more accurate data to buyer and can select from known vendors
Status Checking	Phone requests for status of requisitions	Online PR Status Report	Requester can get real-time status of PR Buyers are able to do their work -- not just respond to queries
Rework	Many subcontract transactions require 3/ 4 iterations to complete	Edit data at the source Template terms and conditions On-line hypertext policy / procedure documents	Fewer iterations Higher quality

Process Benefits

Cost Component	Business Problem	With PD	Benefits
Policy Compliance	<ul style="list-style-type: none"> • Inconsistent purchasing • Lack of required reviews, 	<ul style="list-style-type: none"> • On-line hypertext policy / procedure documents • Common edits • Pre-defined approval routes 	<ul style="list-style-type: none"> • Federal regulatory compliance • Fewer audit problems
Work group computing	<ul style="list-style-type: none"> • Purchasing requires the sharing of information across the work group and Laboratory 	<ul style="list-style-type: none"> • Single logical database for all to access • Electronic mail with attachments • Team access to shared documents • Document-level security allows multiple teams to use same database 	<ul style="list-style-type: none"> • Increased understanding reduces frustration • Tangible connection between user (requester) and results • Facilitated information sharing leverages each purchaser's expertise
Usability	<ul style="list-style-type: none"> • Need a system that is suitable for the both frequent and infrequent users 	<ul style="list-style-type: none"> • Single desktop controlling all required functions • Familiar office environment represented graphically 	<ul style="list-style-type: none"> • Reduced training time
Total Quality Management	<ul style="list-style-type: none"> • Lack of design quality management 	<ul style="list-style-type: none"> • Enforced compliance Defaults and prompts 	<ul style="list-style-type: none"> • Less Rework

TIPS Benefits

- ◆ Web interface for preparation and submittal of PRs
 - Single Common Interface
 - On-line tools to assist requesters and buyers
- ◆ Speed communication and the procurement process as a whole
- ◆ Eliminate data entry errors
- ◆ Buyers can focus on value added activities
- ◆ Better customer service

Deployment Strategy

- ◆ Staged Buyer Deployment - Wave 1 and 2
- ◆ Established strong support structure - process and technical
- ◆ Division by Division approach
 - Profiles
 - CIC, NIS, BUS, HR
- ◆ Identify paper PR conversion process
- ◆ Work w/Business Teams to meet customer needs

Implementation Issues

- ◆ Numbering System (notify as converted)
- ◆ SAS dependent (SAPR)/Contractor implications
- ◆ Current EIS Information (Drop points, etc)
- ◆ PR Conversion (electronic capture of attachments)
- ◆ Electronic routes (supporting processes that are most efficient)
- ◆ Real-Time program code validation